INTERNATIONAL TRADE ADMINISTRATION

# Telecommunications Market Snapshot: Brazil

**Key Statistics**

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|---|---|
| Population | 194.4 million (2009 est.) |
| GDP | $2.194 trillion (2010 est.) |
| Per capita GDP | $10,900 (2010 est.) |
| Main lines | 41.497 million (2009) |
| Teledensity | 21% (2008) |
| Mobile subscribers | 150,641,408 million (2008) |
| Mobile penetration | 90.7% (June 2010) |
| Internet users | 75.982 million (2009) |
| Internet penetration | 38% (2008) |
| Broadband subscribers | 10,097,986 (2008) |
| Spending on telecom equipment and services | $12,877.3 million (2010) |
| U.S. equipment exports to market | $1,283,734,618 (2010) |

Sources: CIA World Factbook, USITC, WB, and Worldwide Black Book

**Market Overview**

With roughly 35 percent of the region's revenues, Brazil remains Latin America's largest telecom market. In, net revenue from telecom equipment and services was near$67 billion, a gain of roughly 23 percent compared to 2003. Motorola, Nokia, Nortel, and Cisco have manufacturing facilities in Brazil, giving the country one of the region's best telecom infrastructures.

Wireless penetration continues to grow. Vivo (CDMA/TDMA) is the largest mobile operator with 30.12 percent market share, followed by Claro (TDMA/GSM) with 25.45 percent , TIM (TDMA/GSM) with 23.65 percent, Oi (GSM) with 20.44percent, leaving 0.34 percent of the market to CTBC, Sercomtel and aeiou. Due to the increase of GSM technology, market analysts are saying that Vivo is exploring alternatives in advance of ANATEL's 3G licenses auctions, which are expected by the end of June 2006. Brazil's government appears to favor the European approach of investing in a single standard as a means to speed adoption and ease roaming.

In the broadband market, Brazilian subscribers should increase to 3.5 million by December 2005, which represents an 84 percent growth in comparison to 2004 with 1.9 million subscribers. Limited competition, though, may be hampering the growth of broadband. Telefonica, Telemar, and Brasil Telecom combine for 80 percent market share, but they use their near-monopoly control of local access in their regions to deter competition. Only one mirror operator, GVT, has established a meaningful broadband presence. Growth in Internet based services and consumers' desire to cut telecom costs has increased demand for VOIP. This, coupled with network upgrades, should prompt a surge in demand for new VOIP equipment that in the short-term will almost be exclusively supplied by U.S. firms. 3G services are expected to increase in Brazil, with almost 8 million connections by October 2009, although such growth may be limited by the fact that the newest subscribers are coming from low-income areas and spend conservatively on mobile services.

Best prospects include mobile phones, which are expected to be the single biggest end-use market for Brazil's telecom equipment market; IP-based next generation networks; corporate virtual private network services; new revenue-generating mobile services (preferably based on the existing networks); various broadband services;

intelligent networks and services; services merging voice, data, and video; telemedicine equipment; security-related telecom equipment; and system integration services.

**Telecom Trade Agreements**

*WTO*

Brazil has no binding telecom services commitments in the World Trade Organization (WTO). Brazil is not a signatory to the WTO Information Technology Agreement, which completely eliminates duties on a variety of info-communications technology products by January 2000.
For a list of the country's commitments, go to http://www.wto.org/english/tratop_e/serv_e/telecom_e/telecom_commit_exempt_list_e.htm.

**Leading Service Providers**

Brasil Telecom
http://www.brasiltelecom.com.br

Claro
http://www.claro.com.br

Oi
http://www.oiloja.com.br

Telemar Norte Leste
http://www.telemar.com.br

Telesp
http://www.telefonica.com.br

TIM Brasil
http://www.timbrasil.com.br

Vivo
http://www.vivo.com.br

**Contacts**

*Regulatory*

Agência Nacional de Telecomunicações (ANATEL)
http://www.anatel.gov.br

Ministério das Comunicações
http://www.mc.gov.br

Last updated February 25, 2011